segments. The other areas where frauds have occurred are credit portfolio, credit cards, deposit accounts, forged and fake demand drafts/cheques etc. Details of frauds in public sector banks during the last three years are given below:

Year	All Frauds		Out of which Rs. 1 crore and above	
	No.	Amt. (Rs. crores)	No.	Amt. (Rs. crores)
2001-02	1409	476.09	60	433.93
2002-03	1744	399.55	62	302.71
2003-04	2207	653.50	66	359.18

(b) Various steps are taken against the individual bank in case irregularities are noticed. The reasons for irregularities are investigated by RBI to ensure that the bank takes preventive measures to avoid recurrence of such irregularities. Strict follow up for rectification of irregularities observed during the Annual Financial Inspection of the bank is done by RBI. A penalty is also imposed on the banks for violation of RBI directives.

(c) RBI has taken following concrete steps to stop recurrence of frauds in future;

(1) RBI has been cautioning banks from time to time against fraudsters and their *modus operandi.*

(2) RBI has also been pleading with State Governments for bringing certain progressive measures such as making the encumbrance of the banks on the mortgaged properties with the Registrar of Assurances by payment of a nominal fee as this measure will go a long way in arresting multiple creation of mortgages by the fraudsters.

(3) Steps have also been taken to vigorously monitor the large value frauds. All fraud cases involving Rs. 1 crore and above are monitored by Department of Banking Supervision (DBS) of RBI and put up to the Board of Financial Supervision on a quarterly basis. Frauds involving Rs. 1 lakh and above but less than Rs. 1 crore are monitored by the Regional Offices of DBS.

(4) In addition, RBI has instructed banks to carry out more intensive